

SENATE BILL REPORT

2SSB 5995

As Amended by House, April 12, 2007

Title: An act relating to the economic development commission.

Brief Description: Providing for the role of the economic development commission in state government.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kastama, Zarelli, Kilmer, Clements, Kauffman, Shin, Pridemore, Regala, Fairley, Brown, Jacobsen and Rasmussen).

Brief History:

Committee Activity: Economic Development, Trade & Management: 2/14/07, 2/21/07 [DPS-WM].

Ways & Means: 3/02/07, 3/05/07 [DP2S].

Passed Senate: 3/08/07, 49-0.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: That Substitute Senate Bill No. 5995 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jack Brummel (786-7428)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5995 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Roach, Rockefeller, Schoesler and Tom.

Staff: Richard Ramsey (786-7412)

Background: The Legislature established the Economic Development Commission in 2003 with the stated intent to have it develop and update the state's economic development strategy

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

and performance measures and provide advice to and oversight of the Department of Community, Trade, and Economic Development (CTED).

Summary of Second Substitute Bill: It is the intent of the Legislature to create an economic development commission to provide planning, coordination, evaluation, monitoring, and policy analysis and development for the state economic development system as a whole.

The Washington State Economic Development Commission is to consist of 11 voting members and as ex officio non-voting members: the Director of the Department of Community, Trade, and Economic Development; the Director of the Workforce Training and Education Coordinating Board; and the chairs of the House and Senate economic development committees. The Director of the commission is to serve as chief executive officer and is to employ such personnel as are necessary and use staff of existing operating agencies.

The commission is to develop and maintain a state comprehensive plan for economic development and to monitor state programs for consistency with the plan, and the plan is to be updated every two years. The commission is to establish and maintain an inventory of economic development programs, perform a biennial assessment of the economic development needs of the state, and assess whether the economic development system and programs are consistent, coordinated, and integrated. The commission is also to work to ensure alignment of the comprehensive plan for economic development with the comprehensive plan for workforce training and education and review, and make recommendations on budget requests and legislative proposals. The commission is to report to the Governor and the Legislature every two years on its progress and make recommendations for statutory changes as needed. In addition, the commission is to provide for coordination, develop a database on economic development programs, establish standards for data collection and program evaluation, and administer scientifically-based outcome evaluations of the state economic development system. CTED's infrastructure development policies and plans will be monitored for consistency with the state's comprehensive plan. The commission is to identify economic development plan elements that the Associate Development Organizations are to include in their countywide plans.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Legislators added to existing commission.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Economic Development, Trade & Management): PRO: Creating this uniform vision is needed. The bill contains very valuable suggestions. This provides for accountability. Having statewide coordination will provide a clearer framework. This will help all of us compete better in the global economy. This is the obvious next step to get our state to be more competitive.

OTHER: There could be a bigger role for the commission. We need more coordination, evaluation, data collection, and performance measures done. Costs are a concern.

Persons Testifying (Economic Development, Trade & Management): PRO: Julie Murray, Washington State Association of Counties; Ginger Eagle, Washington Public Ports Association; James McMahan, Washington Economic Development Association.

OTHER: Bill Grinstein, Economic Development Commission; Juli Wilkerson, Department of Community, Trade, and Economic Development; James McMahan, Washington Economic Development Association.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.

House Amendment(s): Does not create the Economic Development Commission as a state agency.

Reduces the number of required duties by making some of the duties permissive and subject to available funding, including:

- 1) reviewing other agencies and programs for consistency with the state comprehensive plan for economic development;
- 2) providing for coordination among different agencies; and
- 3) administering a scientifically-based outcome evaluation for the state economic system beginning no later than January 1, 2012.

Eliminates the requirement that the Commission work with the Workforce Training and Education Coordinating Board to ensure the alignment of the state comprehensive plan for economic development with the state comprehensive plan for workforce development.

Requires the Commission to review the appropriate state role in economic development and the appropriate administrative and regional structure for the provision of economic development services by September 1, 2008.

Requires the Economic Climate Council to consult with the Commission when selecting benchmarks. Eliminates the current Economic Climate Council Advisory Committee.

Adds a null and void clause.